



**SOM Distilleries & Breweries Limited**  
(BSE: 507514, NSE: SDBL)

**Earnings Presentation**  
**9M FY2022**



# Safe Harbor



This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to SOM Distilleries & Breweries’ future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

SOM Distilleries & Breweries undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.



Highlights



## Key Highlights: 9M FY2022 vs 9M FY2021

- Recorded beer volume of 39.2 Lakh cases (+31% y-o-y) and IMFL volumes of 4.0 Lakh cases (down 29% y-o-y)
- The volume improvement in beer was
  - Driven by our traditional markets and strong recovery of Karnataka operations
  - Strong volume recovery of Hunter brand with 20% growth
  - Black Fort and Power Cool recorded a growth of 24% and 49%, respectively
  - Power Cool was launched in additional markets in Karnataka and Kerala, which supported the robust growth
  - Recently launched Woodpecker brand continued to build on growth momentum with around 90,000 cases sold during the nine months of the year
- Total income during 9M FY2022 stood at Rs. 2,196 million, an increase of 21% y-o-y. The improvement was driven by improvement in our utilization levels due to gradual lifting of pandemic related restrictions
- Improvement in gross margins despite prevailing cost pressure on packaging materials and other commodities
- Continued improvement in EBITDA levels and reduction in PAT losses. Q3 PAT loss was only Rs. 11 million
- Volume growth trajectory expected to continue with the gradual relaxation of pandemic related restrictions; Karnataka operations has demonstrated sharp recovery and expect strong volume growth in Odisha going forward
- Export business accounted for around 4% of the total revenues



# Management Commentary



*We continued our recovery journey during the quarter with strong growth in topline and EBITDA. During the quarter we reduced our PAT loss to only Rs. 11 million. This is a significant achievement as we started the year with pandemic related strict restrictions and Q1 is our peak season which typically accounts for over 35% our annual business. During the quarter, our Karnataka facility operated at over 60% utilization levels, and we expect significant improvement in utilization from Bhopal and Odisha facility going forward. This will help us to further enhance our operating margins.*

*Furthermore, the new excise policy in Madhya Pradesh is favorable given it has indicated reducing price by 20%, which will enhance the affordability of our brands. It has also indicated allowing liquor sales through select supermarkets in four big cities, which would be beneficial from availability perspective for customers. Our strategic initiatives coupled with such favorable market dynamics is anticipated to support our profitable growth in the next fiscal year.*

**Mr. JK Arora, Chairman (SOM Group of Companies)**



A glass of beer with a thick head of foam, surrounded by hops and barley, set against a rustic wooden background. The beer is golden and the foam is white. The hops are green and the barley is golden. The background is a warm, blurred wooden surface.

## Financial Highlights

# Performance Highlights



	Q3		Y-o-Y	9 Months		Y-o-Y
(Rs. Million)	FY2022	FY2021	Growth (%)	FY2022	FY2021	Growth (%)
<b>Total Income</b>	<b>906</b>	<b>790</b>	<b>14.7%</b>	<b>2,196</b>	<b>1,812</b>	<b>21.2%</b>
<b>Gross Profit</b>	<b>404</b>	<b>320</b>	<b>26.5%</b>	<b>1,011</b>	<b>731</b>	<b>38.2%</b>
<i>Margin (%)</i>	<i>44.6%</i>	<i>40.5%</i>		<i>46.0%</i>	<i>40.4%</i>	
<b>EBITDA</b>	<b>68</b>	<b>(30)</b>	<b>nm</b>	<b>79</b>	<b>(161)</b>	<b>nm</b>
<i>Margin (%)</i>	<i>7.5%</i>	<i>nm</i>		<i>3.6%</i>	<i>nm</i>	
Interest	37	48	(23.5)%	115	138	(17.1)%
Depreciation	42	31	34.4%	126	94	35.2%
<b>Net Profit</b>	<b>(11)</b>	<b>(110)</b>	<b>nm</b>	<b>(162)</b>	<b>(418)</b>	<b>nm</b>
<i>Margin (%)</i>	<i>nm</i>	<i>nm</i>		<i>nm</i>	<i>nm</i>	



# Leverage Profile



(Rs. Million)	Dec 31 2021	Sep 30 2021	Jun 30 2021
Secured Borrowings	1,369	1,355	1,400
Unsecured Borrowings	582	582	583
<b>Gross Debt-Consolidated</b>	<b>1,951</b>	<b>1,937</b>	<b>1,983</b>
Less: Cash & Cash Equivalents	135	116	125
<b>Net Debt</b>	<b>1,816</b>	<b>1,820</b>	<b>1,858</b>
Gross Debt / Equity (x)	0.73x	0.73x	0.74x

- Repaid total debt of over Rs. 200 million since September 2020 and Rs. 138 million compared to March 2021
- No major capex planned in the near term
- Strong cash flow generation and deleveraging balance sheet remain key strategic priority



## Operational Highlights

A glass of beer with a thick head of foam, surrounded by fresh hops and barley, symbolizing the brewing process. The glass is filled with golden beer and has a handle on the right. The hops are green and fresh, and the barley is golden and dry. The background is a blurred wooden structure.

# Volume Summary



Lakh cases	Q3		Y-o-Y	9 Months		Y-o-Y
	FY2022	FY2021	Growth (%)	FY2022	FY2021	Growth (%)
Hunter	4.8	5.5	(13)%	15.8	13.2	20%
Black Fort	3.2	3.2	(1)%	7.9	6.4	24%
Power Cool	7.2	4.2	72%	14.4	9.7	49%
Others	0.5	0.3	42%	1.0	0.7	46%
<b>Total Beer</b>	<b>15.6</b>	<b>13.2</b>	<b>18%</b>	<b>39.2</b>	<b>29.9</b>	<b>31%</b>
<b>Total IMFL</b>	<b>1.8</b>	<b>2.0</b>	<b>(10)%</b>	<b>4.0</b>	<b>5.6</b>	<b>(29)%</b>

- Continued recovery in mainline brands
- Robust growth in Power Cool driven by enhanced penetration in additional market in Karnataka and Kerala
- Woodpecker beer continued to consolidate its market presence and sold around 90,000 cases in 9M FY2022
- Beer accounted for 90% of total volumes and 84% of the revenue during 9M FY2022
- Price realization for Beer during 9M FY2022 was Rs. 462 and IMFL was Rs. 787; blended realization at Rs. 496
- IMFL realization improvement driven by increased contribution of premium brands



# Millionaire Beer Brands – Volume Recovery



Quantity Sold (in lakh cases)



## Company Profile

A glass of beer with a thick head of foam, surrounded by fresh hops and barley on a wooden surface. The beer is golden and has a thick, white head of foam. The hops are bright green and fresh, and the barley is golden and has a long, thin awn. The background is a warm, blurred wooden surface.

# SOM Distilleries: The only listed Beer and IMFL company in India



- SOM Distilleries & Breweries Limited (SDBL) is based in Bhopal and is one of the leading alcoholic beverages manufacturers in India
- SDBL is primarily engaged in production of beer and blending and bottling of IMFL
- Offers a broad line of products at every price point to cater to varied preferences of the consumers. The product portfolio consists of various options across beer, rum, brandy, vodka and whisky
- The Company has three key millionaire brands (sales more than 1 mn cases per annum) – Hunter, Black Fort and Power Cool
- Strategic partnerships with White Owl Distilleries and Jagatjit Industries
- Launched Woodpecker Wheat Beer, India's first filtered wheat beer in FY2020
- New products introduced with seasonal themes to increase consumer traction and engagement – Hunter Pint Beer and different flavors of RTD drinks



## Beer Brands



## IMFL Brands



# Compelling Investment Rationale



- Only listed company in India having both Beer and IMFL, which complement each other and reduces the risk of seasonality while providing marketing efficiencies
- Strong portfolio of brands including millionaire brands, Hunter, Black Fort and Power Cool
- Continuous product innovations to capitalize on seasonal themes and enhance consumer traction and engagement
- Launched Woodpecker Wheat Beer, India's first filtered wheat beer in FY2020; the brand has created significant traction in very short period and is expected to gain further momentum
- The Company commands ~2% market share in the Indian beer market and has immense potential to grow the market share by enhancing its penetration across India
- Focus on enhancing brand presence through CSD and market expansion in states such as Uttar Pradesh, West Bengal and Andhra Pradesh in addition to existing markets
- Expanded capacity provides headroom for volume growth in medium term
- Lower penetration of beer and favorable demographic profile to provide huge scope for industry growth





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